



Vanta Bioscience Limited

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CIN No. : U74999TG2016PLC109280

July 22, 2020
Secunderabad

To
The Corporate Relations Dept
BSE Limited

Dear Sir,

**Sub.: Intimation regarding downgrade in credit rating by India Rating and Research
Ref: Disclosure under Reg 30 of SEBI (LODR) Regulations**

Dear Sir / Madam,

We wish to inform you that India Ratings and Research Private Limited vide their email dated July 21, 2020 has informed the Company about downgrade in Vanta Bioscience Limited's Long Term Issuer rating to "**IND D**" from "**IND BB-**" with the outlook as stable.

The reason for downgrade is due to delay in the repayment of principal and interest which occurred due to delay in the realisation of receivables from its customers from China because of the COVID-19 outbreak. The Company has availed the Reserve Bank of India-prescribed moratorium for its term loan facilities over March – August 2020.

The rating letter by the agency and the published note is attached herewith which provides details regarding the same.

This is for your information and dissemination to public at large.

**FOR VANTA BIOSCIENCE LIMITED
Scrip Code: 540729/ Scrip ID: VANTABIO**

Dr. Dopesha Raja

**DOPESH RAJA MULAKALA
MANAGING DIRECTOR
DIN: 01176660**



Mr. Venkata Rao Sadhanala
Chief Executive Officer/Whole Time Director
Vanta Bioscience Limited
NO.02/G/308/G.NO.3/FF/SF/1-20-248
Umajay Complex,
2nd Floor, Rasoolpura,
Secunderabad - 500003

July 16, 2020

Dear Sir/Madam,

Re: Rating Letter for Bank Loan Ratings of Vanta Bioscience Limited

India Ratings and Research (Ind-Ra) has downgraded Vanta Bioscience Ltd. (VBL) Long-Term Issuer Rating to 'IND D' from 'IND BB-'. The Outlook was Stable. The instrument-wise rating actions are as follows:

Instrument Type	Maturity Date	Size of Issue (million)	Rating	Rating Action
Fund-based working capital limits (long-term)		INR23 (increased from INR20)	IND D	Downgraded
Term loan (long-term)	December 2027	INR187.1 (increased from INR131.8)	IND D	Downgraded
Proposed fund-based facilities		INR90	WD	Withdrawn (issuer did not proceed with the instrument as envisaged)

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at +91 22 4000 1700.

Sincerely,

India Ratings


Ashoo Mishra
Director


Krishan Binani
Director

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Sanction Amount (INR million)
Fund Based Working Capital Limit	State Bank of India	IND D	23
Term Loan	State Bank of India	IND D	187.1

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India Ratings Downgrades Vanta Bioscience to 'IND D'

16

JUL 2020

By Shivani Chopra

India Ratings and Research (Ind-Ra) has downgraded Vanta Bioscience Ltd. (VBL) Long-Term Issuer Rating to 'IND D' from 'IND BB-'. The Outlook was Stable. The instrument-wise rating actions are as follows:

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating	Rating Action
Fund-based working capital limits (long-term)	-	-		INR23 (increased from INR20)	IND D	Downgraded
Term loan (long-term)	-	-	December 2027	INR187.1 (increased from INR131.8)	IND D	Downgraded
Proposed fund-based facilities				INR90	WD	Withdrawn (issuer did not proceed with the instrument as envisaged)

Analytical approach: To arrive at the ratings, Ind-Ra has taken a consolidated view of VBL, its fully owned subsidiary Vanta Clinical Research Ltd. and step subsidiary Vayam Research Solutions Ltd. in view of the strong management, legal, financial and operational linkages between the entities.

KEY RATING DRIVERS

The downgrade reflects VBL's delay in the repayment of principal and interest in January 2020 due to delays in the realisation of receivables from customers in China because of the COVID-19 outbreak. The company has availed the Reserve Bank of India-prescribed moratorium for its term loan facilities over March-August 2020.

RATING SENSITIVITIES

Positive: Timely debt servicing for at least three consecutive months could result in a rating upgrade.

COMPANY PROFILE

Promoted by Mohan Krishna and Dopesha Raja, VBL was incorporated in 2010. The company acquired facilities from Kemlin Industries South Asia Private Limited at end-March 2017 under an asset purchase arrangement. VBL undertakes research and development, clinical and pre-clinical studies in the field of genetic toxicology, animal toxicology, inhalation toxicology and eco toxicology. In September 2018, VBL incorporated Vanta Clinical Research to carry out its clinical research business and further, in October 2019, Vayam Research Solutions was added as a step subsidiary.

FINANCIAL SUMMARY

CONSOLIDATED

Particulars	FY20	FY19
Revenue (INR million)	141.43	124.25
Operating EBITDA (INR million)	44.79	32.74
EBITDA margin (%)	31.67	26.35
Interest coverage (x)	2.30	1.94
Net leverage (x)	3.42	2.45
Source: Ind-Ra, VBL		

STANDALONE

Particulars	FY20	FY19
Revenue (INR million)	141.13	124.25
Operating EBITDA (INR million)	44.03	32.68
EBITDA margin (%)	31.20	26.30
Interest coverage (x)	2.26	1.94
Net leverage (x)	3.19	3.37
Source: Ind-Ra, VBL		

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (million)	Rating	3 May 2019	12 April 2018
Issuer rating	Long-term	-	IND D	IND BB-/Stable	IND B+/Stable
Fund-based working capital limits	Long-term	INR23	IND D	IND BB-/Stable	IND B+/Stable
Term loans	Long-term	INR187.1	IND D	IND BB-/Stable	IND B+/Stable

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity levels of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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ABOUT INDIA RATINGS AND RESEARCH

About India Ratings and Research: India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance and leasing companies, managed funds, urban local bodies and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India, the Reserve Bank of India and National Housing Bank.

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

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Applicable Criteria

Corporate Rating Methodology

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